ANNEXURE NO 5

[Vide Unstarred question No 441(b) answered on 3rd March, 2005]

Schemes and Programmes implemented for promotion and Development of small scale industries in the country, including rural areas

1. Integrated Infrastructure Development Scheme: Assistance is provided to State Governments and industry associations for setting up industrial estates for SSI units, up to 40% of the cost or Rs. 2 crore, whichever is less. For the North-Eastern States, this assistance is upto 80% of the cost or Rs. 4 crore, whichever is less

The scheme has a provision of 50 per cent reservation for industrial estates in rural areas.

2. Small Industry Cluster Development Programme (SICDP): This programme aims at holistic development of industrial clusters, i.e., agglomerations of SSI units producing the same or similar type of products at a particular location The development needs of such clusters are identified through a diagnostic study. Based on the study, action plan is prepared for development of cluster in respect of the felt needs in areas like technology upgradation, marketing and export promotion, skill development, creation of common facility centre, etc. The scheme is implemented through the field institutions under the Ministry of SSI, in collaboration with autonomous institutions engaged in promotion of small scale industries project period extends over 2 to 3 years. There is no fixed limit on the Project cost Rather, a need-based approach is adopted. Normally, the budget for promotional activities (excluding hard infrastructure) is between 30 to 50 lakh rupees. Hard infrastructure like common facility centre is considered on the basis of actual project cost.

The programme was started in 1998 as UPTECH Scheme with a technology focus. It was given a more holistic form and renamed as SICDP in 2003 Till date, 78 projects have been taken up under the UPTECH scheme and SICDP

3. Credit Linked Capital Subsidy Scheme for Technology Upgradation (CLCSS): Under this scheme, 12% capital subsidy is granted on loans upto Rs 40 lakh for technology upgradation. In pursuance of the announcement made in the Budget of 2004-05, a proposal to enhance this subsidy to 15% and the loan limit to Rs 1 crore is presently under formulation.

4. Credit Guarantee Fund Scheme: This scheme provides guarantee cover upto 75% of credit (term loan and working capital loan) extended by banks and financial institutions to new and existing SSI units on loans upto Rs. 25 lakh The scheme is administered by the Credit Guarantee Fund Trust for Small Industries (CGTSI) and the member lending institutions (banks, etc.) of CGTSI.

5. Performance and Credit Rating Scheme for Small Industries: A Rating Scheme for small scale industries has been formulated in consultation with various stake holders, i.e., Small Industries Association and Indian Banks' Associations and various Rating Agencies, viz., CRISIL, ICRA, Dun & Bradstreet (D&B) and ONICRA.

The fee to be paid to the rating agencies is based on the turnover of the small scale units. The turnover has been categorized into three slabs. The slabs of turn over and the share of reimbursement by the Government towards the fee charged by the rating agencies have been given in the table below:

Turnover	Fee to reimbursed by Government
Up to Rs. 50 Lakh	75% of the fee charged by the rating agency subject of a ceiling of Rs. 25000.
Above Rs. 50 lakh to 200 lakh	75% of the fee charged by the rating agency subject of a ceiling of Rs. 30000
Above Rs. 200 lakh	75% of the fee charged by the rating agency subject of a ceiling of Rs. 40000

The balance amount towards the fee is be borne by the small scale units. The scheme is administered by the National Small Industries Corporation (NSIC).

6. ISO-9000/ISO 14001 Certification Reimbursement Scheme: Cost of obtaining ISO-9000 Certification by small scale industries is reimbursed to the extent of 75% or Rs. 75,000-, whichever is lower. The objective of the scheme is to improve the marketability of SSI products by enhancing their quality.

7.Mini Tool Rooms: State Governments are assisted to set up Mini Tool Rooms for providing advanced tooling facility to SSI units. Assistance under this scheme is by way of grants upto 90% of the cost of setting up of the Mini Tool Rooms or Rs. 9 crore. Whichever is less. However, for upgradation of existing Tool Rooms, assistance is limited to 75% of the cost or Rs. 7.5 crore, whichever is less.

8. Testing Centres: Upto 50% of the cost with ceiling of Rs. 50 lakh is provided as grant to Industry Associations for setting up testing centres to test the raw-material and products of SSI units.

9. Sub-Contracting Exchanges: This scheme is to assist Industry Associations to strengthen their capacity for securing better marketing opportunities for the member SSI units. Under this scheme, one-time grant of Rs. 4.7 lakh is provided for procurement of capital equipment for setting up of sub-contracting exchanges by Industry Associations and Non Government Organisations. In addition, matching grant is also provided to meet the running expenses on a tapering basis not exceeding Rs. 1.25 lakh, Rs. 0.75 lakh and Rs. 2.5 lakh respectively during the first three years.

10. Purchase and Price Preference Policy: This is administered through the Single Point Registration Scheme of NSIC. Under this, 358 items have been reserved for exclusive purchase from SSI units by the Central Government. Other facilities under this scheme include free tender documents, exemption from earnest money and security deposit and 15% price preference in Central Government purchases.

11. Market Development Assistance: This scheme is intended to assist SSI entrepreneurs to explore export markets by participating in overseas fairs or trade delegations abroad. Under this scheme, to and fro airfare of the selected SSI entrepreneurs is reimbursed upto 90%. The scheme also includes funding upto 25% of the cost of production of publicity material, assistance upto Rs. 2 lakh for sector specific studies, reimbursement of registration fee for bar coding and assistance upto Rs. 1 lakh for contesting anti-dumping cases. The beneficiaries under this scheme are individual SSI units as well as Industry Associations

12. Participation in International Fairs: Full rent of space in international fairs and exhibitions and cost of shipment of exhibits is subsidized to SSI units under this scheme.

13. Assistance to Entrepreneurship Development Institutes (EDI): Assistance is provided to the State Governments to strengthen the training infrastructure of EDIs by way of grants of upto 50% of the cost or Rs. 100 lakh, whichever is less.

14. Rural Employment Generation Programme (REGP) The objective of this programme, implemented through the Khadi and Village Industries Commission (KVIC), is to provide employment to the people in rural areas and small towns with population upto 20,000. Under this programme, an entrepreneur can establish a village industry by availing of margin money assistance from the KVIC and loans from any public sector scheduled Commercial Bank (and some other banks), for projects with a maximum cost of Rs. 25 lakh. the margin money assistance pattern is as under:

S. No.	Category of beneficiary	Project cost	Margin money assistance
1	General	Upto Rs. 10 lakh Above Rs. 10 lakh and up to Rs. 25 lakh	25 per cent of project cost Rs. 2.5 lakh plus 10 per cent of balance project cost
2.	SC/ST/OBC/Women/PC Ex-servicemen/NE Region/ Hill areas	Up to Rs. 10 lakh	30 per cent of project cost
		Above Rs. 10 lakh and up to Rs. 25 lakh	Rs. 3 lakh plus 10 per cent of balance project cost.

Note SC/ST–Scheduled Caste/Scheduled Tribe, PH–Physically challenged
NE–North Eastern

15. Prime Minister's Rozgar Yojana (PMRY): This scheme is aimed at assisting educated unemployed youths in setting up self employment ventures in all economically viable activities including agriculture and allied activities (except direct agricultural operation like crop sowing, purchase of manure, etc.) in both urban as well as rural areas of the country. The parameters of asisstance are as under:

(i) *Implementing agencies:* District Industries Centres (DICs) of the State Governments/ UTs and banks.

(ii) *Eligible beneficiaries:* Educated unemployed youth in the age group of 18-35 years (upper age limit relaxed up to 45 years for women, SC/ST ex-servicemen and physically challenged) who have passed 8th standard examination and whose family income is less than Rs. 40,000 per annum are eligible to get loans and subsidy for all economically viable activities.

(iii) *Pattern of financial assistance:* Project costing upto Rs. 1 lakh for business sector and upto Rs. 2 lakh in other sectors are eligible for assistance, with the subsidy being limited to 15 per cent of the project cost, subject to a ceiling of Rs. 7,500/- . Eligible persons can join together in a partnership to get assistance for projects upto Rs. 10 lakh. The margin money contribution from the beneficiary varies from 5 per cent to 16.25 per cent of the project cost so as to make the sum of the Government subsidy and beneficiary's own margin money contribution equal to 20 per cent of the project cost.

16. Khadi Karigar Janashree Bima Yojana: This scheme provides social security benefits to the family members of artisans of Khadi Sector under an insurance scheme in collaboration with the Life Insurance Corporation.

17. Interest subsidy Eligibility Certificate Scheme (ISEC): Under this scheme, the working capital, as well as capital expenditure credit availed by the Khadi institutions (as per their requirements from banks) is subsidised by the Government by way of an interest subsidy so as to ensure that they do not have to pay more than 4% as rate of interest.

18. Mahila Coir Yojana: Under this women-oriented self-employment programme operated by the Coir Board, women coir workers are given subsidy to the extent of 75% of the cost of

the motorised ratt (up to a maximum of Rs. 7500/-) or a motorised traditional ratt (up to a maximum of Rs. 2625/-).

19. Development of Production Infrastructure: Under this scheme, the Coir Board extends financial assistance to the extent of 25% of the cost of equipment and infrastructural facilities, subject to a ceiling of Rs. 1.5 lakh, for setting up new coir units and Rs. 50,000/- for modernization of existing coir units.